RAJYA SABHA

Monday, the 30th November, 1987/ 9 Agrathayana, 1909 (Saka)

The House met at eleven of the clock. Mr. Chairman in the Chair.

ORAL ANSWERS TO QUESTIONS

*321. [*The questioner (Shri Sharad Yadav) was absent. For answer,* vide *col.* 32-33 infra.]

*322. [*The questioners (Shri Atal Bihari Vajpayee and Shri Lal K. Advani) were absent. For answer,* vide *col. infra*].

*323. [*The questioner (Shri Santosh Kumar Sahu) was absent. For answer,* vide *col.* 33—36 infra].

*324. [*The questioner (Shri Pramod Mahajan) was absent. For answer,* vide *col.* 37]. infra

*325. [*The questioner (Shri Santosh Bagrodia) was absent. For answer,* vide *col.* 37-38 infra].

*326. [*The questioner (Shri R. Sambasiva Rao) was absent For answer* vide *col.* 38 infra].

SHRI CHITTA BASU: Sir, May I draw your attention to Questions 321 and 340 which are identical and can be taken up together?

MR. CHAIRMAN: No, I am not agreeing. Next, 327.

SHRI JAGESH DESAI: Sir, Question 322 also...

MR. CHAIRMAN: No, I have said I am not clubbing any questions. Next question, Mr. S. S. Ahluwalia. Not here. Then, Mr. Kalpnath Rai, Question 327.

Assessment regarding power requirement

*327. SHRI S. S. AHLUWALIA:
SHRI KALPNATH RAI:†

Will the Minister of ENERGY be pleased to state:

(a) whether Government have made any assessment of the requirements of power for the country as a whole by the end of the Seventh Plan; if so, when was this assessment made;

(b) what is the quantum of power expected to be generated in the country by the end of the Seventh Plan period; and

(c) whether in view of the deteriorating condition of the power projects and also to increase the production of power to meet the growing demands Government propose to take urgent steps to develop existing resources and to create additional power generation capacity; if so, what are the details thereof?

THE MINISTER OF STATE IN THE DEPARTMENT OF POWER IN THE MINISTRY OF ENERGY (SHRIMATI SUSHILA ROHATGI): (a) to (c) A Statement is laid on the Table of the House.

Statement

(a) The power requirement of the country by the end of the Seventh Plan was assessed in 1985 by the Twelfth Power Survey Committee.

(b) The Seventh Plan envisages a generation of about 280 billion units by power utilities in the country by the end of the Plan period.

(c) The measures taken to augment the availability of power include expediting commissioning of new capacity, implementation of short gestation projects, improving the performance of existing thermal stations, reducing transmission and distribution losses, and implementation of energy conservation and demand management measures. Power generation in 1986-87 was about 188 billion units as compared with a generation of about 122 billion units in 1981-82, which is an increase of over 54 per cent in five years. The Plant Load Factor of thermal stations in the country has increased from 46.4 per cent in 1981-82 to 53.2 per cent in 1986-87. The Seventh Plan envisages a capacity addition of about 22,245 MW during the Plan period.

†The question was actually asked on the floor of the House by Shri Kalpnath Rai.

श्री कल्पनाथ राय : माननीय सभापति महोदय मैं मंत्री महोदया से जानना चाहता हूं कि सातवीं पंचवर्षीय योजना के अंत तक हमारे देश में ऊर्जा की रिक्वायरमेंट क्या होगी और इस समय देश में ऊर्जा का उत्पादन कितने मैगावाट हो रहा है और कितने हजार मैगावाट की हमें आवश्यकता है।

श्रीमती सुशीला रोहतगी : मान्यवर सातवीं पंचवर्षीय योजना के अंत में हमारी जो ऊर्जा जेनरेशन का लक्ष्य है वह 280 बिलियन यूनिट है। 280 बिलियन यूनिट होने पर देश में जो हमारी मांग है उसका गैप काफी रह जाता है। इसलिए उसकी तरफ ध्यान दिया जा रहा है।

श्री कल्पनाथ राय : महोदय ऊर्जा से ही विकास के सारे कार्य होने हैं तो क्या सरकार इस पर विचार करेंगी कि 8वीं पंचवर्षीय योजना में जो हमारे रिक्वायरमेंट हैं उनके अनुकूल पावर जेनरेशन के लिए योजना बनाए ताकि हमारा देश ऊर्जा के मामले में आत्म निर्भर हो सके? सरकार इस बात पर क्या सोच रही है?

श्रीमती सुशीला रोहतगी : मान्यवर, मैं माननीय सदस्य की बात से सहमत हूं और यही देखते हुए सरकार इस बात पर विचार कर रही है कि देश की आवश्यकता के अनुसार ऊर्जा का उत्पादन महत्वपूर्ण चीज है क्योंकि यह कोर सैक्टर है जिससे सारा इंफ्रास्ट्रक्चर तैयार होता है। इसलिए 8वीं पंचवर्षीय योजना में हमारी योजना है कि 38 हजार मैगावाट का अतिरिक्त उत्पादन बिजली का किया जाए और उसके लिए 11 200 करोड़ की अतिरिक्त धनराशि सातवीं पंचवर्षीय योजना में दी जा रही है जिससे कि 8वीं पंचवर्षीय योजना में उत्पादन के लिए हम अभी से काम चालू कर सकें।

SHRI A. G. KULKARNI: The honourable Minister has stated that the plant load factors have improved and there is also an increase in electricity generation. But my point is particularly this year, 1987-88, there is the difficulty that there is less water available to the hydel power projects and the thermal power projects are suffering mostly on account of bad quality of coal. So, may I know from the honourable Minister whether a crash programme or any alternative arrangement is being envisaged so that during the present drought season the peasants and industry will not suffer and there can be a great coalition between the various States? I would like to know whether such a thing is envisaged so that wherever there is power shortage, the Government can help both agriculture and industry to tide over the difficulty.

MR. CHAIRMAN: So, you want a 'grand coalition'?

SHRI VASANT SATHE: I can assure the House through you, Sir, that as far as coal is concerned, subject, of course, to the inherent nature of coal which progressively is going to have a higher ash content, and as far as the extraneous matters and other things are concerned, we are ensuring that we give proper quality of coal to our power stations and there is no grievance as far as coal is concerned or quality of coal is concerned from the power stations. We want to ensure that adequate power is generated. We are also getting the various grids so that, Sir, whenever there is shortage, we are able to meet the situation. For example, in the South, we have been able to send surplus power from Maharashtra even to Andhra, Kerala and Karnataka. Likewise, we are making arrangements. From Madhya Pradesh also we are sending power.

MR. CHAIRMAN: You are thinking in terms of a national grid?

SHRI VASANT SATHE: Regional grids? These grides will ultimately merge into a national grid. But may I say one thing for the benefit of this House? I want to say this again very emphatically that the ultimate solution of the power problem lies in the sun, the sun power. Unless we are through the sun, by the sun, and for the sun, we cannot solve the problem...

SHRI SURESH KALMADI: Under the sun!

SHRI VASANT SATHE:...and, for the problem of power, sun power or solar power is the only solution and the only relief to the power problem and the energy problem of this country.

MR. CHAIRMAN: But he wants to know something about the solution to the immediate problem.

SHRI VASANT SATHE: I have already told for that also. Immediately, also, Sir, sun is the only solution and we are trying to do it in the rural areas.

MR. CHAIRMAN: What are you doing to solve the immediate problem? That is the question.

SHRI VASANT SATHE: I have already done, Sir. I have solved the problem this year. This year we have given enough power to all our rural areas.

SHRI DHARANIDHAR BASUMATARI: Power has not come to all the villages.

SHRI VASANT SATHE: Probably in your village. Anyway, I will give you solar power.

MR. CHAIRMAN: Yes, Prof. Lakshmanna.

PROF. C. LAKSHMANNA: Mr. Chairman, Sir, the envisaged generation of power for the Seventh Five Year Plan is about 280 billion units and in the year 1986-87, the power that was generated was 188 billion units. I would like to ask the honourable Minister what the full capacity or installed capacity is and what the shortage would be in terms of fulfilment of the target of 280 billion units. We are almost left with two years. What specific efforts will be made to fulfil this target and meet the shortage by way of generation of 280 million units of power? This is part (a) of my question, Sir. Now, I come to part (b) of my question.

Sir, the Minister wants to bask in the sun! That is very good. But I would like to ask what special efforts would be made by the Minister and the Ministry with regard to generation of nuclear power. Committees have gone round the country and they have identified the sites. What steps would be taken by the Ministry during the next two years so that this power is also added and the target of 280 billion units is realised?

SHRI VASANT SATHE: Sir, as far as the nuclear power is concerned, within two years, no nuclear station can come up and it will take eight to ten years. So, let us not bank on getting something immediately from nuclear sources. But we are giving emphasis on it, you know. Kalpakkam has already gone on stream. And we have plans of inducting more nuclear power. But it will take its own time. As far as the gap is concerned...

PROF. C. LAKSHMANNA: What is the gap?

SHRI VASANT SATHE: About 19 per cent, the total gap by the end of the Seventh Five Year Plan. As far as 280 billion units are concerned—I am talking of what we will achieve by generating and making available—Sir, this gap can be made up as far as possible by two ways: (a) by inducting more thermal power, and (b) by augmenting the PLF. And Plant Load Factor has already increased from 46 to 53.7. Now I am glad to inform the House that it has crossed 54. Our effort is that it should cross 55. If some of the northern States improve their performance, we are hopeful that the Plant Load Factor will increase. If that happens, we might be able to bridge this gap.

SHRI BIR BHADRA PRATAP SINGH: My problem is not non-conventional sources of energy but the major conventional sources. The problem is not more installed capacity. The problem is that out of 100, the utilisation is only 40. So there is a loss of 60 per cent from the installed capacity itself. And, Sir, the atomic power ratio is 1 to 10. So may I expect from the hon. Member that instead of making high soundings—of the sun, the moon, the wind and all sources of energy—he will kindly consider seriously why not bridge this gap? Out of 100, 60 per cent is lost. Why don't you tap this very source of

installed capacity and why do you allow it to go waste, instead of...

MR. CHAIRMAN: He has understood your question.

SHRI VASANT SATHE: Sir, sarcasm apart, I can understand the hon. Member's incapacity to understand either the sun or the moon or the wind, etc. It is beyond his comprehension.

MR. CHAIRMAN: I do not want any remarks made about any Member. No.

SHRI VASANT SATHE: You did not protect me when the hon. Member was...

MR. CHAIRMAN: He did not...

SHRI VASANT SATHE:... when the hon. Member was making a sarcastic remark. Sir, I have stated that....

MR. CHAIRMAN: You please only answer the question.

SHRI VASANT SATHE: I do not take it from anybody like this.

MR. CHAIRMAN: Now come to the point.

SHRI VASANT SATHE: I am answering to the satisfaction of the House. As far as the conventional sources are concerned, by all world standards...

MR. CHAIRMAN: You forget the sarcasm.

SHRI VASANT SATHE: Sir, I have forgotten.

MR. CHAIRMAN: Only question is, what are you doing to see that the full capacity is utilized?

SHRI VASANT SATHE: I am replying to that. First, we must understand what is capacity utilisation.

MR. CHAIRMAN: That you explain.

SHRI VASANT SATHE: That I am trying to explain. But let me take care of sarcasm. Having forgotten that, Sir, may I say that according to universal standards, whatever capacity we have installed in new stations we are having an excellent Plant Load Factor—about 79-80 per cent. As far as old stations are concerned, there the Plant, Factor is low. We are doing our best to improve the Plant Loan Factor. No body is wasting it. Nobody is saying that उधर क्या नहीं करने है बोलना तो बड़ा आसान है हम कोशिश कर रहे हैं और हमने काम भी किया है। 46 से 54 किया है। इसको और आगे बढ़ाएं।

SHRIMATI SUSHILA ROHATGI: Sir, may I add to what he has said, only to satisfy the Member? Sir, out of 18 organisations this year, I am happy to say, 10 of these State Electricity Boards have definitely shown improvement only this year. The average capacity utilisation of the State Electricity Boards is 50 per cent this year. This is the highest so far. In addition to providing spare parts, monitoring, reviewing and other things, action has been taken and new schemes have been drawn up. As the Minister has said, a constant watch is being kept.

श्री चतुरानन मिश्र : सभापति महोदय, लोड प्लांट फैक्टर में जो तरक्की हुई है वह केन्द्र के जो बिजली घर हैं, पावर हाउस हैं उनमें ज्यादा हुई है और स्टेट्स पावर हाउसेज में नहीं हो रही है। इंटायर प्लानिंग आपकी जो है, आपने जो इंटायर प्लानिंग की है वह न्यू पावर प्लांट बनाने के सिलसिले में जो आपने कैपेसिटी कही है, स्टेट प्लांट लोड फैक्टर केन्द्रीय स्तर तक आयें, इसके लिए आप क्या मैजर्स लेने जा रहे हैं? एक प्रश्न तो मेरा यह है।

दूसरा प्रश्न मेरा है कि खुद बिजली के अभाव में कोयला खदानों में कितना कम उत्पादन हुआ है, कितना उत्पादन में घाटा हुआ है, यह आप गत दो-तीन वर्षों के आंकड़े क्या देंगे? यह आपके मंत्रालय के अंडर में ही है।

श्रीमती सुशीला रोहतगी : मान्यवर, माननीय सदस्य के पार्ट बी का संबंध

कोयले से है उसका उत्तर माननीय मंत्री जी देंगे। जहां तक उनके पहले प्रश्न का संबंध है (व्यवधान) .... बिजली से, पानी से दोनों से बिजली का उत्पादन कर रहे हैं। मान्यवर जहां तक उत्पादन का संबंध है हमारे राज्य बिजली बोर्डस द्वारा इस संबंध में सभी प्रयास किये जा रहे हैं। जोनल मीटिंग हर स्तर पर हो रही है पांचों जोनों को इसमें लेने का प्रयास किया गया है और हर जगह...(व्यवधान) ...

श्री चतुरानन मिश्र : सभापति महोदय मीटिंग तो होती ही हैं... (व्यवधान) ...आपने क्या मैजर्स जो पहले नहीं लिए हैं अब नये लेने जा रहे हैं यह मेरा प्रश्न है। मीटिंग तो हम बराबर करते हैं। क्या कोई दूसरा कार्य करते हैं?

श्रीमती सुशीला रोहतगी : मेजर्स जो रहे हैं कृपा करके मुझे एक मिनट दे दें। ये मीटिंग्स जो अभी तीन हुईं और दो अभी होने वाली हैं उनमें जो इलेक्ट्रिसिटी बोर्ड हैं क्या उनकी कठिनाइयां हैं क्या उनको अभाव है इस सब की समीक्षा की जाती है और उसके अनुसार उनका प्रफार्मेंस सुधारा जाता है। यही कारण है कि हमारे दस राज्य बिजली बोर्ड पहले से अच्छा कार्य कर रहे हैं। इसके अतिरिक्त रोविंग टीम भेजी जाती है और हमारे लोग समय समय पर जाकर मानेटरिंग कर रहे हैं और इसके आधार पर जिन चीजों की वहां कमी पाई जाती है वे चीजें वहां पर दी जाती हैं। कोयले के संबंध में जो प्रश्न है उसका उत्तर हमारे मंत्री जी देंगे।

श्री वसंत साठे : सभापति जी दो बातें हमने की हैं। हमारे जो पावर स्टेशन कमजोर हैं या जिनका प्लान लोड फैक्टर कम है उनके लिए हमने 500 करोड़ रुपया उनके मार्डनाइजेशन के लिए रखा है। हम खास एक्सपर्टस वहां भेजते हैं कि क्या कमी है क्या सुधार करना चाहिए। सारी मदद क्योंकि करनी तो स्टेट इलेक्ट्रिसिटी बोर्ड की है इसलिए उनकी पूरी मदद की जाती है कि आप अपने प्लांट लोड फैक्टर को इम्प्रूव कीजिये और जो मदद उनको चाहिए वह मदद उनको पूरी दी जायेगी।

जहां तक कोयला खदानों का सवाल है यह बात सच है कि जब पावर कम मिलती है तो खासतौर पर बरसात में माइंस फ्लड हो जाती है इसलिए उनको निकालने में तकलीफ होती है और इसका असर कोल के प्रोडक्शन पर होता है। पर इन दिनों हमने यह देखा है कि पावर सप्लाई भी बराबर रही और कोयला कंपनियों के ही कैप्टिव पावर स्टेशन लगाने के लिए हम बन्दोबस्त कर रहे हैं।

श्री चतुरानन मिश्र : मैंने लास पूछा था। आप अगर हमारी मदद करें तो अच्छी बात हो। मैं जानना चाहता था कि कोयला में कितना शार्ट है, प्रोडक्शन हुआ?

श्री वसंत साठे : नेगलीजिबल हुआ अबाउट 2 मिलियन।

SHRI PAWAN KUMAR BANSAL: Mr. Chairman, Sir, having tapped all the available hydro-electric potential, Punjab has even gone in for many mini power projects. In order to maintain the momentum of growth and our industrial activity, Punjab has a very strong case for the seting up of a 30 MW solar power project. I would like to know from the hon. Minister as to what action has been taken on the persistent demands of the State Government to this effect.

SHRI VASANT SATHE: We have approved the concept. Collaboration and other arrangements which the Punjab Government has been making are under examination. We would be very glad to encourage such projects. There is a proposal of generating energy not only from the sun but also from rice husk. That is also being examined.

SHRI GHULAM RASOOL MATTO: Mr. Chairman, Sir, the hon. Minister has

stated that the 7th Plan envisaged a capacity addition of about 22,245 MW during the Plan period. Now I would like to request her to please inform the House as to what the position is by the end of the third year of the 7th Plan. Secondly, Sir, she has also stated that there are constraints with regard to the funding of the projects. I would like to ask her: what concrete steps she has taken to overcome this difficulty with regard to funding for the completion of the projects in the 7th Plan?

SHRIMATI SUSHILA ROHATGI: Sir, regarding the first part of the question, in 1985-86, we had achieved cent per cent of the total target of generation. In 1986-87, we were slightly short of it. And now this year, in spite of a very serious drought, we are just about 2 or 3 per cent short of it and because of the low water level in the reservoirs, there has been a shortage of hydel generation. But I am happy to say that the thermal generation has made up by more than one billion units extra, more than the target itself. Sir, I would like to say that in spite of the severe drought, we have made 8-1/2 per cent additional generation compared to last year. With regard to the funding part of it, Sir, as I stated earlier, there was an allocation of Rs. 11,200 crores in addition to what has been given earlier so that we can go ahead with the power schemes which have been identified.

SHRI NAGEN SAIKIA: Sir, may I know from the hon. Minister as to how much of energy is expected to be produced from Subansiri and Dihang projects in Arunachal Pradesh and from when these projects will produce energy?

SHRIMATI SUSHILA ROHATGI: You mean the two big hydel schemes? Sir, it has not got direct relationship with the main question, but if I can, to the best of my information, I think, these are two very big projects and may be leading to Rs. 20,000 crores and Rs. 12,000 crores. But we have not yet finalised anything in that connection. We shall look into it and inform the hon. Member accordingly.

SHRI ALADI ARUNA *alias* V. ARUNACHALAM: Mr. Chairman, Sir, the deterioration of coal quality is very alarming. Sir, the coal supplied to our Tuticorin and Ennore thermal stations is of very substandard quality. With your permission, Sir, I would like to quote: Sir, ash content is increasing and caloric value is also declining. In 1979-80, in the case of Tuticorin station, the caloric value was 5,750. Now it has declined to 3,960. The ash content earlier in 1979-80 was 21.07 per cent. Now it has increased to 42.62 per cent. As far as the coal supplied to the Ennore thermal station is concerned, in 1970-71, the caloric value was 4,960. Now it has declined to 3,850. The ash content has also increased from 29.25 per cent to...

MR. CHAIRMAN: Now you put our question.

SHRI ALADI ARUNA *alias* V. ARUNACHALAM: Under these circumstances, because of the increase in the ash content of the coal, because of the very substandard coal, our State Government is repeatedly asking the Energy Ministry to allow our State Government to import from Australia. Will he consider this or not?

SHRI VASANT SATHE: Sir, we do not want to encourage import of coal. After all, it will mean outgo of foreign exchange. If the country can afford to spend foreign exchange in the balance, well, we do not mind. But we have our own coal. It is true, it has a higher ash content. But even more higher ash content coal can be used for generating power. In Andhra Pradesh, in the Vijayawada power station, they are already using nearly 45 per cent ash content coal. It is not a question of not being able to use a higher ash content coal. You have to redesign your boilers to suit that. Instead of doing that. Sir, if we...

SHRI ALADI ARUNA *alias* V. ARUNACHALAM: We are getting coal from Andhra. Then the transport burden is also there.

SHRI VASANT SATHE: From where are you going to get? You get either from Andhra which is the nearest or...

MR. CHAIRMAN: He wants you to import.

SHRI VASANT SATHE: He wants to bring it from Australia.

SHRI N. K. P. SALVE: And he wants to carry coal to New Castle.

SHRI VASANT SATHE: Import from where?

SHRI ALADI ARUNA *alias* V. ARUNACHALAM: Because the cost of production will be less, that is why you are very particular about it. What are the steps you are taking to give good quality coal to Tamil Nadu?

SHRI VASANT SATHE: Ultimately, we have to see the economics and what is good in national interest. If Andhra coal is not sufficient then we get coal from Orissa, Talcher belt, and other areas. That is what we have been doing up till now. It has a higher ash content, that is true. The question is shall we procure high ash content coal, but indigenous, and produce power, or shall we import coal with low ash content and produce power? whichever ultimately is more economical and in national interest, we will be glad to do.

SHRI JAGESH DESAI: Mr. Chairman, Sir, out of six coal infrastructure based industries, only two have exceeded the target fixed for the year 1986-87 and they are the generation of electricity and coal and I compliment the Government. But, Sir, thousands of crores of rupees have been invested in industries but because of want of power we are not able to utilise it fully and to that extent the investment remains dead. Under the circumstances, I would like to know from the Minister whether the Government is considering to enhance the allocation for electricity department, energy department, so that power can be given to all the industries and production can go up and prices to that extent can come down.

SHRIMATI SUSHILA ROHATGI: It all depends on the generation of power itself and its distribution. Now in the States electricity boards are supposed to be viable commercial units. They produce it at a cost of 72 paise per unit and they sell it to rural electrification at 22 paise. Therefore, there is a lot of margin and difference between that. Therefore, the State electricity boards themselves cannot become viable and further advancement and further generation becomes a little more difficult. Of course, we need more and more money for that. We are trying our level best. But at the same time to try to make them commercially viable and profitable, we have also to look at the problem from the point of view of tariff and link it up together with the policy issue.

SHRI VASANT SATHE: Sir, the question was actually, what are we going to do to induct more power? Sir, we have already exhausted our maximum resources from the Plan, whatever planning funds we could give, have been given. The Prime Minister, in fact, went out of his way to put additional Rs. 34,000 crores, but that can induct only 22,000 M.W. Still there will be a gap of about 10,000 M.W. and this can be met only if we allow either private sector to raise funds or get it bilaterally or permit NRIs to raise funds. Because Sir, there is one thing. You can import everything else, but you cannot import power. And we have therefore to think in these terms.

MR. CHAIRMAN: Yes, Mr. Gurupadaswamy, last question.

SHRI M. S. GURUPADASWAMY: The bugbear of our production is cost overrun and time overrun. So, I think on this the Government has to concentrate more and more in future. There is large...

MR. CHAIRMAN: A short question and a short answer will be useful.

SHRI M. S. GURUPADASWAMY: There is a large gap between the original estimate and the revised estimate, original schedule and the revised scheme. May I know what steps are being taken by the Government

to cut down the cost overrun and the time overrun?

SHRI VASANT SATHE: Sir, the House will be glad to know that for some time past now, particularly in the Central power sector we have been implementing our projects not only within the cost but also within the time. Korba, Singrauli, the NTPC have come up even ahead of time and within the cost. But, Sir, this is a legacy of the past. I entirely agree with the hon. Member that there has been too much of time overrun and cost overrun. Along with it, it is our effort to see that this will be avoided.

National Tannery Company Limited, Calcutta

*@328. SHRI SUKOMAL SEN:
SHRI MOSTAFA BIN QUASEM:†

Will the Minister of INDUSTRY be pleased to state:

(a) whether it is a fact that his Ministry is examining the viability report prepared by the Industrial Reconstruction Bank of India on the National Tannery Company Limited of Calcutta; and

(b) if so, what are the details thereof?

THE MINISTER OF STATE IN THE DEPARTMENT OF INDUSTRIAL DEVELOPMENT IN THE MINISTRY OF INDUSTRY (SHRI M. ARUNACHALAM): (a) and (b) The report of the Working Group constituted by the IRBI for preparing a viability report on National Tannery Company was submitted by the IRBI to the Government. The report of the Working Group indicates that the assets cannot match the company's liabilities and that the company is non-viable. The State Government and the company have referred the matter to the Board for Industrial and Financial Reconstruction which has been set up under the Sick Industrial Companies (Special provisions) Act, 1985.

SHRI MOSTAFA BIN QUASEM: Sir, considering the necessity for retention of the job of about 500 workers in the National Tannery Company Limited and, particularly, considering the potential for export earnings by this sophisticated shoe manufacturing unit, may I know from the hon. Minister whether any proposal from the trade union of workers for making this unit a captive unit of the State Trading Corporation is pending with the Government? If so, what is the reaction of the Government to this proposal?

SHRI M. ARUNACHALAM: Sir, My colleague in the Commerce Ministry, Mr. P. R. Das Munshi, has taken a meeting with all concerned including the trade union leaders and only after that the working group was constituted. The matter has been referred to the BIFR for their decision.

SHRI MOSTAFA BIN QUASEM: Sir, considering the urgency of the matter, I would plead with the Government that the Industry Ministry should take a further initiative in arranging a meeting of representatives of the State Government, Government financial institutions and also the BATA India Limited to find a way for reviving this unit. Is the Government ready to have a further meeting immediately?

SHRI J. VENGAL RAO: Sir, the State Government as well as the company have referred the case of the company to the BIFR. The BIFR has registered the case, at serial number 223 on 27.10.87.

SHRI PUTTAPAGA RADHA KRISHNA: Sir, this is a model project for other leather industries in the country. The hon. Minister says that according to the report of the IRBI, the industry is not viable. Generally, these tannery unit suffer losses either due to non-availability of raw skin or non-availability of marketing facilities. I would like to know from the hon. Minister whether these are the

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@Previously Starred Question 248, transferred from the 24th November, 1987.

†The question was actually asked on the floor of the House by Shri Mostafa Bin Quasem.